



General Assembly

**Bill No. 35**

February Session, 2004

LCO No. 503

\*00503\_\_\_\_\_\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:

SEN. DELUCA, 32<sup>nd</sup> Dist.

REP. WARD, 86<sup>th</sup> Dist.

**AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET  
RECOMMENDATIONS REGARDING REVENUE, TOURISM, HOUSING,  
CAPITAL CITY ECONOMIC DEVELOPMENT, TOBACCO PRODUCT  
MANUFACTURERS AND TRANSFERS OF CERTAIN FUNDS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-412 of the general statutes, as amended by  
2 section 98 of public act 03-1 of the June 30 special session, is amended  
3 by adding subdivision (115) as follows (*Effective July 1, 2005*):

4 (NEW) (115) (A) Sales of magazines, including publications which  
5 only contain puzzles, by subscription; (B) sales of newspapers.

6 Sec. 2. Section 216 of public act 03-6 of the June 30 special session is  
7 repealed and the following is substituted in lieu thereof (*Effective July*  
8 *1, 2004*):

9 [(a) For the fiscal years ending June 30, 2004, and June 30, 2005, the  
10 Commissioner of Revenue Services shall segregate twenty million  
11 dollars from the revenue attributable to the sales tax imposed under

12 subparagraph (H) of subdivision (2) of subsection (a) of section 12-407  
13 on any hotel or lodging house. Said funds shall be deposited in the  
14 Connecticut Commission on Arts, Tourism, Culture, History and Film  
15 account, established under section 10-395 for the administration and  
16 operation of the Connecticut Commission on Arts, Tourism, Culture,  
17 History and Film. Such funds are in addition to funds made available  
18 to the commission in subsection (b) of this section.]

19 (a) The commission shall allocate funds for the fiscal year ending  
20 June 30, 2004, from [said] the Connecticut Commission on Arts,  
21 Tourism, Culture, History and Film account as follows for, but not  
22 limited to, the purposes so specified:

23 (1) One hundred fifty thousand dollars to the Greater Hartford Arts  
24 Council;

25 (2) Six hundred thirty thousand dollars to the New Haven Coliseum  
26 Authority;

27 (3) One million seven hundred ten thousand dollars to the Stamford  
28 Center for the Arts;

29 (4) Fifty thousand dollars to the Stepping Stone Child Museum in  
30 Norwalk;

31 (5) Six hundred seventy-five thousand dollars to the Maritime  
32 Center Authority in Norwalk;

33 (6) Two million two hundred fifty thousand dollars for basic  
34 cultural resources grants;

35 (7) One million one hundred thousand dollars for the operation and  
36 administration of state historic preservation programs and the  
37 operation and administration of the four state museums;

38 (8) Four million seven hundred fifty thousand dollars to the  
39 regional tourism districts established under section 215 of [this act]

40 public act 03-6 of the June 30 special session, provided each district  
41 shall be allocated nine hundred fifty thousand dollars;

42 (9) One hundred twenty thousand dollars to the eastern regional  
43 tourism district, established under section 215 of [this act] public act  
44 03-6 of the June 30 special session, for promotion of tourism in the  
45 Quinebaug-Schetucket Heritage area in Connecticut;

46 (10) One hundred twenty thousand dollars to the northwestern  
47 regional tourism district, established under section 215 of [this act]  
48 public act 03-6 of the June 30 special session, for promotion of tourism  
49 in the Litchfield Hills area;

50 (11) One million dollars to the Connecticut Humanities Council;

51 (12) Thirty thousand dollars for the Historical Resources Inventory;

52 (13) Fifty thousand dollars to the Amistad Committee for the  
53 Freedom Trail;

54 (14) One hundred thousand dollars for Amistad vessel;

55 (15) One million two hundred sixty thousand dollars to the New  
56 Haven Festival of Arts and Ideas;

57 (16) One hundred fifty thousand dollars for the New Haven Arts  
58 Council;

59 (17) One hundred twenty thousand dollars for the eastern regional  
60 tourism district, established under section 215 of [this act] public act  
61 03-6 of the June 30 special session;

62 (18) One hundred twenty thousand dollars for the central regional  
63 tourism district, established under section 215 of [this act] public act  
64 03-6 of the June 30 special session;

65 (19) Nine hundred thousand dollars for the Palace Theater in  
66 Waterbury, provided the entity designated to operate the theater is the

67 Palace Theater Group, Incorporated;

68 (20) Four hundred ten thousand dollars to the Beardsley Zoo;

69 (21) Sixty-two thousand five hundred dollars to the Mark Twain  
70 House and sixty-two thousand five hundred dollars to the Harriet  
71 Beecher Stowe House;

72 (22) Three hundred sixty thousand dollars for film projects and film-  
73 related activities; and

74 (23) All other administrative, operating and personnel costs of the  
75 commission, including, but not limited to, those related to the  
76 promotion of culture, history, arts, tourism and film in the state.

77 (b) Notwithstanding sections 210 to 242, inclusive, of [this act]  
78 public act 03-6 of the June 30 special session, the Secretary of the Office  
79 of Policy and Management is authorized to make adjustments to the  
80 allocations for the Connecticut Commission on Arts, Tourism, Culture,  
81 History and Film based on expenditures already made in the General  
82 Fund or other funds to support the predecessor agencies during the  
83 fiscal year ending June 30, 2004, and any allocations of funding made  
84 through any intercept for the fiscal year ending June 30, 2004. Any  
85 withholding of funds shall not be greater than the amount expended  
86 for such purposes and in no event shall the overall funding for the  
87 Connecticut Commission on Arts, Tourism, Culture, History and Film  
88 diminish from the aggregate allocated.

89 Sec. 3. Subsection (c) of section 12-494 of the general statutes, as  
90 amended by section 40 of public act 03-2, is repealed and the following  
91 is substituted in lieu thereof (*Effective from passage*):

92 (c) In addition to the tax imposed under subsection (a) of this  
93 section, any targeted investment community, as defined in section 32-  
94 222, or any municipality in which properties designated as  
95 manufacturing plants under section 32-75c are located, may, on or after  
96 March 15, 2003, [but prior to July 1, 2004,] impose an additional tax on

97 each deed, instrument or writing, whereby any lands, tenements or  
98 other realty is granted, assigned, transferred or otherwise conveyed to,  
99 or vested in, the purchaser, or any other person by his direction, when  
100 the consideration for the interest or property conveyed equals or  
101 exceeds two thousand dollars, which additional tax shall be at the rate  
102 of one-fourth of one per cent of the consideration for the interest in real  
103 property conveyed by such deed, instrument or writing. The revenue  
104 from such additional tax shall become part of the general revenue of  
105 the municipality in accordance with section 12-499.

106 Sec. 4. Section 8-119k of the general statutes is repealed and the  
107 following is substituted in lieu thereof (*Effective from passage*):

108 In lieu of real property taxes, special benefit assessments and  
109 sewerage system use charges otherwise payable to a municipality, an  
110 eligible developer approved by the Commissioner of Economic and  
111 Community Development for state financial assistance for a  
112 congregate housing project, including, without limitation, any  
113 congregate housing portion of a housing development receiving  
114 financial assistance pursuant to section 8-433, shall pay each year, to  
115 the municipality in which any of its congregate housing projects for  
116 the elderly or congregate housing portions of housing developments  
117 receiving financial assistance pursuant to subsection (a) or (e) of  
118 section 8-37qq, subsection (j) of section 8-44a, subsection (e) of section  
119 8-70, [section 8-71,] subsection (c) of section 8-114a, section 8-118a, 8-  
120 119h, 8-119k, 8-119l, subsection (c) of section 8-119dd, section 8-119gg,  
121 subsection (e) of section 8-214f, [subsection (b) of section 8-216,]  
122 subsection (g) of section 8-216b, subsection (f) of section 8-218, section  
123 8-218a, 8-356, subsection (c) of section 8-357 or sections 8-430 to 8-438,  
124 inclusive, is located, a sum to be determined by the municipality with  
125 the approval of the Commissioner of Economic and Community  
126 Development not in excess of ten per cent of the shelter rent per  
127 annum for each occupied dwelling unit in any such housing project  
128 and each occupied unit in any congregate housing portion of any such  
129 housing development; except that the amount of such payment shall

130 not be so limited in any case where funds are made available for such  
131 payment by an agency or department of the United States government,  
132 but no payment shall exceed the amount of taxes which would be paid  
133 on the property were the property not exempt from taxation.

134 Sec. 5. Subsection (a) of section 8-216a of the general statutes is  
135 repealed and the following is substituted in lieu thereof (*Effective from*  
136 *passage*):

137 (a) The provisions of any other general statute or special act to the  
138 contrary notwithstanding, the present true and actual value of the real  
139 property classified as property used for housing solely for low or  
140 moderate-income persons or families pursuant to section 8-215, on  
141 which rents or carrying charges are limited by regulatory agreement  
142 with, or otherwise regulated by, the federal or state government or  
143 department or agency thereof, shall be based upon and shall not  
144 exceed the capitalized value of the net rental income of the housing  
145 project. For purposes of [sections 8-215, 8-216] section 8-215 and this  
146 section, such net rental income means the gross income of the project  
147 as limited by the schedule of rents or carrying charges, less reasonable  
148 operating expenses and property taxes.

149 Sec. 6. Subsection (a) of section 8-218 of the general statutes is  
150 repealed and the following is substituted in lieu thereof (*Effective from*  
151 *passage*):

152 (a) The state, acting by and in the discretion of the Commissioner of  
153 Economic and Community Development, may enter into a contract  
154 with a community housing development corporation or an eligible  
155 developer, as defined in section 8-39, for state financial assistance in  
156 the form of (1) a state grant-in-aid, loan, deferred loan, advance or any  
157 combination thereof equal to the cost to the community housing  
158 development corporation or eligible developer, as approved by the  
159 commissioner, of developing or rehabilitating low and moderate  
160 income housing under section 8-217, but limited to the following  
161 expenses: Appraisals, title searches, legal fees, option agreements,

162 architectural, engineering and consultants' fees, financing fees, closing  
163 costs and such other expenses as may be financed by a mortgage loan  
164 under any federal or state housing statute and incurred by a  
165 community housing development corporation or eligible developer  
166 prior to the disbursement of mortgage loan funds on account of such  
167 property; provided, to the extent such expenses are recovered by the  
168 community housing development corporation or the eligible developer  
169 from the mortgage loan or from the proceeds of a sale of such  
170 property, such expenses shall be repaid to the state or to a fund  
171 established pursuant to subsection (b) of this section; and (2) an  
172 additional grant-in-aid, loan, deferred loan or advance to such  
173 corporation or such developer for the development of housing which  
174 in the determination of the commissioner contains a substantial  
175 number of dwelling units of three or more bedrooms provided (A) that  
176 the mortgage loan for such housing shall be eligible for insurance by  
177 the United States Department of Housing and Urban Development or  
178 for financing by the Connecticut Housing Finance Authority or the  
179 Farmers' Home Administration, and (B) that the commissioner, after  
180 consultation with the United States Department of Housing and Urban  
181 Development, the Connecticut Housing Finance Authority or the  
182 Farmers' Home Administration, as the case may be, shall have  
183 determined that the mortgage loan on such housing would not be  
184 insurable in the absence of such additional financial assistance; such  
185 grant-in-aid, loan, deferred loan or advance [shall be in lieu of any  
186 assistance to said housing under section 8-216 and] shall be equal to  
187 the additional cost of construction caused by the inclusion of such  
188 dwelling units of three or more bedrooms in such housing, but in no  
189 event shall such grant-in-aid, loan, deferred loan or advance be greater  
190 than ten per cent of the cost of construction of such housing, as  
191 determined by the United States Department of Housing and Urban  
192 Development, the Connecticut Housing Finance Authority or the  
193 Farmers' Home Administration. The commissioner may require that  
194 any assistance in the form of a loan or deferred loan be secured by a  
195 mortgage on such housing. In the case of a deferred loan, the contract

196 shall require that payments on all or a portion of the interest are due  
197 currently but that payments on principal may be made at a later time.

198 Sec. 7. Section 8-220a of the general statutes is repealed and the  
199 following is substituted in lieu thereof (*Effective from passage*):

200 (a) In addition to and without limiting any other powers granted  
201 under any law, any municipality or any two or more municipalities  
202 acting jointly may request, contract for, receive and expend state  
203 financial assistance as authorized for a municipality by sections 8-44a,  
204 8-154a, 8-208, 8-209, [8-216,] 8-218, as amended by this act, 8-220 and  
205 47a-56j for any of the purposes specified therein and may initiate and  
206 carry out any of the programs, projects, functions or activities for  
207 which state financial assistance is authorized for a municipality therein  
208 and do all things necessary to secure such state financial assistance and  
209 carry out such programs, projects, functions or activities.

210 (b) The chief executive officer of any municipality with the approval  
211 of the governing body thereof may designate any agency, department,  
212 board or commission thereof, or housing authority to administer any  
213 of the programs, projects, functions or activities for which state  
214 financial assistance is authorized by sections 8-44a, 8-154a, 8-208, 8-209,  
215 [8-216,] 8-218, as amended by this act, 8-220 and 47a-56j where such  
216 authority and responsibility for such administration is not otherwise  
217 provided for. In addition to and without limiting any other powers  
218 granted under any law, such agency, department, board or  
219 commission or housing authority may administer and carry out any  
220 such programs, projects, functions or activities and do all things  
221 necessary or desirable in connection therewith, including contracting  
222 with the state and the United States, private organizations or  
223 professional consultants, or with any one or more of them, for the  
224 purposes of this chapter and said sections.

225 (c) Any action authorized by sections 8-44a, 8-154a, 8-208, 8-209, [8-  
226 216,] 8-218, as amended by this act, 8-220 and 47a-56j to be taken by a  
227 municipality, or any agency, department, board or commission



228 thereof, or any housing authority may be taken jointly by, and the  
229 Commissioner of Economic and Community Development may enter  
230 into any contract authorized by this chapter and said sections with any  
231 two or more such municipalities or agencies, departments, boards or  
232 commissions thereof, or housing authorities.

233 (d) Any municipality, or any agency, department, board or  
234 commission thereof, or any housing authority may request, and the  
235 commissioner may provide or require, that contracts for two or more  
236 programs, projects or activities under this chapter and said sections  
237 may be combined in one contract.

238 (e) In each fiscal year no municipality may receive more than fifteen  
239 per cent of the amount authorized for the purposes of sections 8-44a, 8-  
240 114a, 8-154a, 8-208, 8-209, [8-216,] 8-218, as amended by this act, 8-220  
241 and 47a-56j provided, if any portion of such authorized amount is not  
242 committed at the end of the first six months of the fiscal year, by virtue  
243 of an executed assistance agreement or a reservation of state funds  
244 approved by the Commissioner of Economic and Community  
245 Development, the commissioner may allocate such portion without  
246 regard to such limitation.

247 (f) The Commissioner of Economic and Community Development  
248 may make and enforce regulations to effectuate the purposes of  
249 sections 8-44a, 8-154a, 8-208, 8-209, [8-216,] 8-218, as amended by this  
250 act, 8-220 and 47a-56j and to determine the allocation of the state  
251 financial assistance authorized in said sections among the  
252 municipalities of the state on the basis of their respective needs.

253 Sec. 8. Section 8-226 of the general statutes is repealed and the  
254 following is substituted in lieu thereof (*Effective from passage*):

255 The proceeds from such bonds and notes as are authorized to be  
256 issued, or any proceeds from such bonds and notes as may have been  
257 issued, under the provisions of section 8-154b but which, on July 1,  
258 1967, are uncommitted and unallocated or which may subsequently

259 become uncommitted or unallocated, shall be used for any of the  
260 purposes authorized by sections 8-44a, 8-154f, 8-208, 8-209, 8-210, [8-  
261 216,] 8-218, as amended by this act, 8-220, 17b-752, 17b-853 and 47a-56j.

262 Sec. 9. Subdivision (2) of subsection (a) of section 12-458 of the  
263 general statutes is repealed and the following is substituted in lieu  
264 thereof (*Effective from passage*):

265 (2) On said date and coincident with the filing of such return each  
266 distributor shall pay to the commissioner for the account of the  
267 purchaser or consumer a tax (A) on each gallon of such fuels sold or  
268 used in this state during the preceding calendar month of twenty-six  
269 cents on and after January 1, 1992, twenty-eight cents on and after  
270 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents  
271 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,  
272 thirty-two cents on and after January 1, 1995, thirty-three cents on and  
273 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-  
274 five cents on and after January 1, 1996, thirty-six cents on and after  
275 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight  
276 cents on and after October 1, 1996, thirty-nine cents on and after  
277 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two  
278 cents on and after July 1, 1998, and twenty-five cents on and after July  
279 1, 2000; and (B) in lieu of said taxes, each distributor shall pay a tax on  
280 each gallon of gasohol, as defined in section 14-1, sold or used in this  
281 state during such preceding calendar month, of twenty-five cents on  
282 and after January 1, 1992, twenty-seven cents on and after January 1,  
283 1993, twenty-eight cents on and after July 1, 1993, twenty-nine cents on  
284 and after January 1, 1994, thirty cents on and after July 1, 1994, thirty-  
285 one cents on and after January 1, 1995, thirty-two cents on and after  
286 July 1, 1995, thirty-three cents on and after October 1, 1995, thirty-four  
287 cents on and after January 1, 1996, thirty-five cents on and after April  
288 1, 1996, thirty-six cents on and after July 1, 1996, thirty-seven cents on  
289 and after October 1, 1996, thirty-eight cents on and after January 1,  
290 1997, thirty-five cents on and after July 1, 1997, thirty-one cents on and  
291 after July 1, 1998, and twenty-four cents on and after July 1, 2000, and

292 twenty-five cents on and after July 1, 2004; and (C) in lieu of such rate,  
 293 on each gallon of diesel fuel, propane or natural gas sold or used in  
 294 this state during such preceding calendar month, of eighteen cents on  
 295 and after September 1, 1991, and twenty-six cents on and after August  
 296 1, 2002.

297 Sec. 10. Section 12-296 of the general statutes, as amended by section  
 298 29 of public act 03-2, is repealed and the following is substituted in lieu  
 299 thereof (*Effective from passage and applicable to sales occurring on or after*  
 300 *April 1, 2004*):

301 A tax is imposed on all cigarettes held in this state by any person for  
 302 sale, said tax to be at the rate of [seventy-five] one hundred two and  
 303 one-half mills for each cigarette and the payment thereof shall be for  
 304 the account of the purchaser or consumer of such cigarettes and shall  
 305 be evidenced by the affixing of stamps to the packages containing the  
 306 cigarettes as provided in this chapter.

307 Sec. 11. Section 12-316 of the general statutes, as amended by section  
 308 30 of public act 03-2, is repealed and the following is substituted in lieu  
 309 thereof (*Effective from passage and applicable to sales occurring on or after*  
 310 *April 1, 2004*):

311 A tax is hereby imposed at the rate of [seventy-five] one hundred  
 312 two and one-half mills for each cigarette upon the storage or use  
 313 within this state of any unstamped cigarettes in the possession of any  
 314 person other than a licensed distributor or dealer, or a carrier for  
 315 transit from without this state to a licensed distributor or dealer within  
 316 this state. Any person, including distributors, dealers, carriers,  
 317 warehousemen and consumers, last having possession of unstamped  
 318 cigarettes in this state shall be liable for the tax on such cigarettes if  
 319 such cigarettes are unaccounted for in transit, storage or otherwise,  
 320 and in such event a presumption shall exist for the purpose of taxation  
 321 that such cigarettes were used and consumed in Connecticut.

322 Sec. 12. (*Effective from passage*) (a) An excise tax is hereby imposed

323 upon each distributor, as defined in section 12-285 of the general  
 324 statutes, as amended, licensed under the provisions of chapter 214 of  
 325 the general statutes and each dealer, as defined in said section 12-285,  
 326 licensed under the provisions of said chapter 214 in the amount of  
 327 twenty-seven mills per cigarette, as defined in said section 12-285, in  
 328 such distributor's or such dealer's inventory as of the close of business  
 329 on March 31, 2004, or, if the business closes after eleven fifty-nine p.m.  
 330 on such date, at eleven fifty-nine p.m. on such date. Payment of the  
 331 tax shall be for the account of the purchaser or consumer of such  
 332 cigarettes and shall be evidenced by the affixing of stamps to the  
 333 packages containing the cigarettes as provided in said chapter 214.

334 (b) Each such licensed distributor and dealer shall, not later than  
 335 May 1, 2004, file with the Commissioner of Revenue Services, on forms  
 336 prescribed by said commissioner, a report which shall show the  
 337 number of cigarettes in inventory as of the close of business on March  
 338 31, 2004, or, if the business closes after eleven fifty-nine p.m. on March  
 339 31, 2004, at eleven fifty-nine p.m. on March 31, 2004, upon which  
 340 inventory the tax under subsection (a) of this section shall be imposed.  
 341 Failure to file such report when due shall be sufficient reason to revoke  
 342 the license of the distributor or dealer, as the case may be, and shall be  
 343 treated as a failure to file a report required to be filed under the  
 344 provisions of chapter 214 of the general statutes. The filing of an  
 345 incorrect report shall be treated as the filing of an incorrect report  
 346 under the provisions of chapter 214 of the general statutes.

347 Sec. 13. Section 12-330c of the general statutes is repealed and the  
 348 following is substituted in lieu thereof (*Effective April 1, 2004*):

349 (a) (1) A tax is imposed on all tobacco products held in this state by  
 350 any person. Except as otherwise provided in subdivision (2) of this  
 351 subsection with respect to the rate of tax on snuff tobacco products, the  
 352 tax shall be imposed at the rate of [twenty] thirty per cent of the  
 353 wholesale sales price of such products.

354 (2) The tax shall be imposed on snuff tobacco products, on the net

355 weight as listed by the manufacturer, as follows: [Forty] Sixty cents per  
356 ounce of snuff and a proportionate tax at the like rate on all fractional  
357 parts of an ounce of snuff.

358 (b) Said tax shall be imposed on the distributor or the unclassified  
359 importer at the time the tobacco product is manufactured, purchased,  
360 imported, received or acquired in this state.

361 (c) Said tax shall not be imposed on any tobacco products which (1)  
362 are exported from the state, or (2) are not subject to taxation by this  
363 state pursuant to any laws of the United States.

364 Sec. 14. Section 13b-61a of the general statutes, as amended by  
365 section 65 of public act 03-1 of the June 30 special session, is repealed  
366 and the following is substituted in lieu thereof (*Effective July 1, 2004*):

367 Notwithstanding the provisions of section 13b-61, as amended, for  
368 calendar quarters ending on or after September 30, 1998, and prior to  
369 September 30, 1999, the Commissioner of Revenue Services shall  
370 deposit into the Special Transportation Fund established under section  
371 13b-68, as amended, five million dollars of the amount of funds  
372 received by the state from the tax imposed under section 12-587 on the  
373 gross earnings from the sales of petroleum products attributable to  
374 sales of motor vehicle fuel, for calendar quarters ending September 30,  
375 1999, and prior to September 30, 2000, the commissioner shall deposit  
376 into the Special Transportation Fund nine million dollars of the  
377 amount of such funds received by the state from the tax imposed  
378 under said section 12-587 on the gross earnings from the sales of  
379 petroleum products attributable to sales of motor vehicle fuel; for  
380 calendar quarters ending September 30, 2000, and prior to September  
381 30, 2002, the commissioner shall deposit into the Special  
382 Transportation Fund eleven million five hundred thousand dollars of  
383 the amount of such funds received by the state from the tax imposed  
384 under said section 12-587, on the gross earnings from the sales of  
385 petroleum products attributable to sales of motor vehicle fuel, for the  
386 calendar quarters ending September 30, 2002, and prior to September

30, 2003, the commissioner shall make no deposit into the Special Transportation Fund, [five million dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel, and for the calendar quarter ending September 30, 2003, and each calendar quarter thereafter, the commissioner shall deposit into the Special Transportation Fund, five million two hundred fifty thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel] for the calendar quarters ending September 30, 2003, and prior to September 30, 2004, the commissioner shall deposit into the Special Transportation Fund, two million six hundred twenty-five thousand dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel, and for the calendar quarter ending September 30, 2004, and each calendar quarter thereafter, the commissioner shall deposit into the Special Transportation Fund, two million dollars of the amount of such funds received by the state from the tax imposed under said section 12-587 on the gross earnings from the sales of petroleum products attributable to sales of motor vehicle fuel.

Sec. 15. Section 12-435 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective April 1, 2004*):

Each distributor of alcoholic beverages shall pay a tax to the state on all sales within the state of alcoholic beverages, except sales to licensed distributors, sales of alcoholic beverages which, in the course of such sales, are actually transported to some point without the state and except malt beverages which are consumed on the premises covered by a manufacturer's permit, at the rates for the respective categories of alcoholic beverages listed below:

419 [(a)] (1) Beer, six dollars and sixty cents for each barrel, three dollars  
420 and thirty cents for each half barrel, one dollar and [fifty] sixty-five  
421 cents for each quarter barrel and [twenty] twenty-two cents per wine  
422 gallon or fraction thereof on quantities less than a quarter barrel;

423 [(b)] (2) Liquor, four dollars and [fifty] ninety-five cents per wine  
424 gallon;

425 [(c)] (3) Still wines containing not more than twenty-one per cent of  
426 absolute alcohol, except as provided in [subsections (g) and (h)]  
427 subdivisions (7) and (8) of this section, [sixty] sixty-six cents per wine  
428 gallon;

429 [(d)] (4) Still wines containing more than twenty-one per cent of  
430 absolute alcohol and sparkling wines, one dollar and [fifty] sixty-five  
431 cents per wine gallon;

432 [(e)] (5) Alcohol in excess of 100 proof, four dollars and [fifty]  
433 ninety-five cents per proof gallon;

434 [(f)] (6) Liquor coolers containing not more than seven per cent of  
435 alcohol by volume, two dollars and [five] twenty-five cents per wine  
436 gallon;

437 [(g)] (7) Still wine containing not more than twenty-one per cent of  
438 absolute alcohol, produced by a person who produces not more than  
439 fifty-five thousand wine gallons of wine during the calendar year,  
440 [fifteen] sixteen cents per wine gallon, provided such person presents  
441 to each distributor of alcoholic beverages described in this section a  
442 certificate, issued by the commissioner, stating that such person  
443 produces not more than fifty-five thousand wine gallons of wine  
444 during the calendar year. The commissioner is authorized to issue such  
445 certificates, prescribe the procedures for obtaining such certificates and  
446 prescribe their form; and

447 [(h)] (8) Cider containing not more than seven per cent of absolute  
448 alcohol shall be subject to the same rate as applies to beer, as provided

449 in [subsection (a)] subdivision (1) of this section.

450       Sec. 16. (NEW) (*Effective April 1, 2004*) No person, except a licensed  
451 distributor, shall, on or after April 1, 2004, sell, or possess with intent  
452 to sell, alcoholic beverages owned by such person and held within the  
453 state as of the close of business on March 31, 2004, or, if the business  
454 closes after eleven fifty-nine p.m. on March 31, 2004, at eleven fifty-  
455 nine p.m. on March 31, 2004, without complying with the terms of this  
456 section. Each such person shall take an inventory of the alcoholic  
457 beverages owned by such person and held within the state as of the  
458 close of business on March 31, 2004, or, if the business closes after  
459 eleven fifty-nine p.m. on March 31, 2004, at eleven fifty-nine p.m. on  
460 March 31, 2004, including therein the whole number and any fractional  
461 part of: (1) Barrels, half barrels, quarter barrels and wine gallons of  
462 quantities less than quarter barrels of beer; (2) wine gallons of liquor;  
463 (3) wine gallons of still wines containing not more than twenty-one per  
464 cent of absolute alcohol; (4) wine gallons of still wines containing more  
465 than twenty-one per cent of absolute alcohol and sparkling wines; (5)  
466 proof gallons of alcohol in excess of 100 proof; (6) wine gallons of  
467 liquor coolers containing not more than seven per cent alcohol by  
468 volume; and (7) wine gallons of cider containing not more than seven  
469 per cent of absolute alcohol. Each such person shall, not later than  
470 April 30, 2004, file with the Commissioner of Revenue Services on  
471 forms to be prescribed or furnished by the commissioner, a report that  
472 shall show the quantity of alcoholic beverages in inventory as of the  
473 close of business on March 31, 2004, or, if the business closes after  
474 eleven fifty-nine p.m. on March 31, 2004, at eleven fifty-nine p.m. on  
475 March 31, 2004, and at the time of such filing shall pay a tax on such  
476 inventory at rates for the respective categories of alcoholic beverages  
477 as follows: (A) Beer, sixty cents for each barrel, thirty cents for each  
478 half barrel, fifteen cents for each quarter barrel and two cents per wine  
479 gallon or fraction thereof on quantities less than a quarter barrel; (B)  
480 liquor, forty-five cents per wine gallon; (C) still wines containing not  
481 more than twenty-one per cent of absolute alcohol, six cents per wine  
482 gallon; (D) still wines containing more than twenty-one per cent of



483 absolute alcohol and sparkling wines, fifteen cents per wine gallon; (E)  
484 alcohol in excess of 100 proof, forty-five cents per proof gallon; (F)  
485 liquor coolers containing not more than seven per cent of alcohol by  
486 volume, twenty cents per wine gallon; (G) still wine containing not  
487 more than twenty-one percent of absolute alcohol, produced by a  
488 person who produces not more than fifty-five thousand wine gallons  
489 of wine during the calendar year, one cent per wine gallon; and (H)  
490 cider containing not more than seven per cent of absolute alcohol, at  
491 the same rate as applies to beer under this section. The rates specified  
492 in this section shall not apply in the cases provided for in section 12-  
493 438 of the general statutes. If any such person fails to file a copy of  
494 such inventory with the commissioner on or before April 30, 2004, the  
495 commissioner shall make an estimate of the amounts of alcoholic  
496 beverages of the several categories specified in this section that are  
497 owned by such person and held within the state as of the close of  
498 business on March 31, 2004, or, if the business closes after eleven fifty-  
499 nine p.m. on March 31, 2004, at eleven fifty-nine p.m. on March 31,  
500 2004, based upon any information which is in the commissioner's  
501 possession or may come into the commissioner's possession. Upon the  
502 basis of such estimate, the commissioner shall compute and determine  
503 the amount of tax required to be paid by such person to the state under  
504 this section and add to such amount a penalty equal to ten per cent of  
505 such tax and interest at the rate of one per cent per month or fraction  
506 thereof from the date such tax became due to the date of payment. The  
507 sum so arrived at shall be assessed by the commissioner upon such  
508 person. The commissioner shall thereupon mail to such person notice  
509 of such assessment and the amount thereof, and the amount so  
510 assessed shall be paid to the commissioner by such person within ten  
511 days after such mailing. The Commissioner of Consumer Protection  
512 shall cooperate with the Commissioner of Revenue Services in the  
513 enforcement of this tax. Failure to file a report under this section or to  
514 pay the tax when due shall be sufficient reason to revoke any state  
515 license or permit held by such person. Failure to pay the tax when due  
516 shall be treated as a failure to pay tax when due under the provisions

517 of chapter 220 of the general statutes. The filing of an incorrect report  
518 shall be treated as the filing of an incorrect report under the provisions  
519 of chapter 220 of the general statutes.

520 Sec. 17. Section 22a-243 of the general statutes is repealed and the  
521 following is substituted in lieu thereof (*Effective April 1, 2004*):

522 For purposes of sections 22a-243 to 22a-245, inclusive, and section 18  
523 of this act:

524 (1) "Beverage" means beer or other malt beverages and mineral  
525 waters, soda water and similar carbonated soft drinks in liquid form  
526 and intended for human consumption;

527 (2) "Beverage container" means the individual, separate, sealed  
528 glass, metal or plastic bottle, can, jar or carton containing a beverage;

529 (3) "Consumer" means every person who purchases a beverage in a  
530 beverage container for use or consumption;

531 (4) "Dealer" means every person who engages in the sale of  
532 beverages in beverage containers to a consumer;

533 (5) "Distributor" means every person who engages in the sale of  
534 beverages in beverage containers to a dealer in this state including any  
535 manufacturer who engages in such sale and includes a dealer who  
536 engages in the sale of beverages in beverage containers on which no  
537 deposit has been collected prior to retail sale;

538 (6) "Manufacturer" means every person bottling, canning or  
539 otherwise filling beverage containers for sale to distributors or dealers;

540 (7) "Place of business of a dealer" means the location at which a  
541 dealer sells or offers for sale beverages in beverage containers to  
542 consumers;

543 (8) "Redemption center" means any facility established to redeem  
544 empty beverage containers from consumers or to collect and sort

545 empty beverage containers from dealers and to prepare such  
546 containers for redemption by the appropriate distributors;

547 (9) "Use or consumption" includes the exercise of any right or power  
548 over a beverage incident to the ownership thereof, other than the sale  
549 or the keeping or retention of a beverage for the purposes of sale;

550 (10) "Nonrefillable beverage container" means a beverage container  
551 which is not designed to be refilled and reused in its original shape;

552 (11) "Deposit initiator" means the first distributor who is not a  
553 manufacturer to sell a beverage container in this state or a  
554 manufacturer who sells a beverage container to a person who sells a  
555 beverage container.

556 Sec. 18. (NEW) *(Effective April 1, 2004, and applicable to sales occurring*  
557 *on or after April 1, 2004)* (a) Each deposit initiator shall open a special  
558 interest-bearing account with a national bank, state bank and trust  
559 company or federally chartered savings bank or state or federally  
560 chartered savings and loan association to the credit of the deposit  
561 initiator. Each deposit initiator shall invest in such account an amount  
562 equal to the refund value established pursuant to subsection (a) of  
563 section 22a-244 of the general statutes for each beverage container sold  
564 by such deposit initiator. Such investment shall be made not more than  
565 three days after the date such beverage container was sold. All interest,  
566 dividends and returns earned on the special account shall be paid  
567 directly into such account. Such moneys shall be kept separate and  
568 apart from all other moneys in the possession of the deposit initiator.

569 (b) Any reimbursement of the refund value for a redeemed  
570 beverage container shall be paid from the deposit initiator's special  
571 account in the manner prescribed in the accounting system established  
572 by the Commissioner of Revenue Services.

573 (c) Each deposit initiator shall submit a report on July 31, 2004, for  
574 the immediately preceding calendar quarter and one month after the

575 close of each calendar quarter thereafter, to the commissioner, on a  
576 form prescribed by the commissioner and with such information the  
577 commissioner deems necessary, including, but not limited to: (1) The  
578 balance in the special account at the beginning of the quarter for which  
579 the report is prepared; (2) a list of all deposits credited to such account  
580 during such quarter, including all refund values paid to the deposit  
581 initiator and all interest, dividends or returns received on the account;  
582 (3) a list of all withdrawals from such account during such quarter, all  
583 service charges and overdraft charges on the account and all payments  
584 made pursuant to subsection (d) of this section; and (4) the balance in  
585 the account at the close of the quarter for which the report is prepared.

586 (d) The balance outstanding in the special account shall be paid by  
587 the deposit initiator one month after the close of the calendar quarter  
588 to the commissioner for deposit in the General Fund. If the amount of  
589 the required payment pursuant to this subsection is not paid within  
590 seven days after it is due, a penalty of ten per cent of the amount due  
591 shall be added to the amount due and an additional five per cent  
592 penalty shall be added for each day thereafter that such payment is not  
593 submitted. Such penalties shall not be paid from funds maintained in  
594 the special account.

595 (e) If moneys deposited in the special account are insufficient to pay  
596 for withdrawals authorized pursuant to subsection (b) of this section,  
597 such deficiency shall be added, with interest, to the succeeding  
598 payment due pursuant to subsection (d) of this section.

599 (f) The Treasurer may, independently or upon request of the  
600 commissioner, examine the accounts and records of any deposit  
601 initiator referring to accounts and records maintained under sections  
602 22a-243 to 22a-245, inclusive, of the general statutes, as amended by  
603 this act, including receipts, disbursements and such other items as the  
604 Treasurer deems appropriate. The Treasurer may assess a surcharge in  
605 the amount of ten per cent per annum for any audit adjustments to  
606 accounts or records maintained under said sections 22a-243 to 22a-245,

607 inclusive, and this section, during any fiscal year, and ten per cent per  
608 annum, together with interest, for any underpayment of the payment  
609 established by subsection (d) of this section. Such penalties shall not be  
610 paid from funds maintained in the special account.

611 (g) The Attorney General may, independently or upon complaint of  
612 the commissioner, institute any appropriate action or proceeding to  
613 enforce any provision of this section or any regulation adopted  
614 pursuant to section 22a-245 of the general statutes to implement the  
615 provisions of this section.

616 Sec. 19. Section 22a-246 of the general statutes is repealed and the  
617 following is substituted in lieu thereof (*Effective April 1, 2004*):

618 Any person who violates any provision of section 22a-244, [or] 22a-  
619 245 or section 18 of this act shall be fined not less than fifty dollars nor  
620 more than one hundred dollars, and for a second offense shall be fined  
621 not less than one hundred dollars nor more than two hundred dollars  
622 and for a third offense shall be fined not less than two hundred fifty  
623 dollars nor more than five hundred dollars.

624 Sec. 20. (NEW) (*Effective April 1, 2004*) At the end of each fiscal year  
625 commencing with the fiscal year ending on June 30, 2004, the  
626 Comptroller is authorized to record as revenue for such fiscal year the  
627 amount of deposits collected under the provisions of section 18 of this  
628 act occurring in such fiscal year, provided payment of such tax is  
629 received by the Commissioner of Revenue Services or is delivered by  
630 United States mail to said commissioner in an envelope bearing a  
631 United States post office cancellation mark no later than (1) the last day  
632 of July immediately following the end of such fiscal year, or (2) if such  
633 last day of July is a Saturday, Sunday or legal holiday, as defined in  
634 section 12-39a of the general statutes, the next succeeding day which is  
635 not a Saturday, Sunday or legal holiday.

636 Sec. 21. Section 32-610 of the general statutes is repealed and the  
637 following is substituted in lieu thereof (*Effective from passage*):

638 The exercise of the powers granted by section 32-602, as amended,  
639 constitute the performance of an essential governmental function and  
640 the Capital City Economic Development Authority shall not be  
641 required to pay any taxes or assessments upon or in respect of the  
642 convention center facilities or the convention center project, as defined  
643 in section 32-600, levied by any municipality or political subdivision or  
644 special district having taxing powers of the state and such project and  
645 the principal and interest of any bonds and notes issued under the  
646 provisions of section 32-607, their transfer and the income therefrom,  
647 including revenues derived from the sale thereof, shall at all times be  
648 free from taxation of every kind by the state of Connecticut or under its  
649 authority, except for estate or succession taxes but the interest on such  
650 bonds and notes shall be included in the computation of any excise or  
651 franchise tax. Notwithstanding the foregoing, the convention center  
652 and the related parking facilities owned by the authority shall be  
653 deemed to be state-owned real property for purposes of sections 12-  
654 19a and 12-19b and the state shall make grants in lieu of taxes with  
655 respect to the convention center and such related parking facilities to  
656 the municipality in which the convention center and such related  
657 parking facilities are located as otherwise provided in said sections 12-  
658 19a and 12-19b.

659 Sec. 22. Subdivision (2) of subsection (b) of section 32-616 of the  
660 general statutes is repealed and the following is substituted in lieu  
661 thereof (*Effective from passage*):

662 (2) For the riverfront infrastructure development and improvement  
663 project described in subparagraph (D) of subdivision (2) of section 32-  
664 600, not exceeding twenty-five million dollars provided no amount  
665 shall be issued under this subdivision until the Commissioner of  
666 Economic and Community Development certifies to the State Bond  
667 Commission that it has received a commitment by agreement, contract  
668 or other legally enforceable instrument with private investors or  
669 developers for a minimum private investment equal to the amount of  
670 bonds at the time such bonds are issued pursuant to this subdivision

671 taken together with any previous commitments; and provided further,  
672 twelve million dollars of said authorization shall be effective July 1,  
673 1999, seven million dollars of said authorization shall be effective July  
674 1, 2001, and three million dollars of said authorization shall be effective  
675 July 1, 2003.

676 Sec. 23. Subdivision (29) of section 32-651 of the general statutes is  
677 repealed and the following is substituted in lieu thereof (*Effective from*  
678 *passage*):

679 (29) "Related parking facilities" means parking structures, facilities  
680 or improvements which are necessary or desirable to provide parking  
681 for the convention center, the convention center hotel and other on-site  
682 related private development, which related parking facilities may also  
683 satisfy other public and private parking requirements within the  
684 capital city economic development district, or to replace currently  
685 available parking which may be displaced by the overall project, other  
686 than the stadium facility project, or the on-site related private  
687 development, which structures may include street level tenant space  
688 for retail, recreational, cultural, educational or entertainment uses  
689 provided such uses are consistent with all applicable tax covenants of  
690 the state and the authority, together with equipment, fixtures,  
691 furnishings and appurtenances integral and normally associated with  
692 the construction and operation of parking facilities, and ancillary  
693 infrastructure improvements, all as more particularly described in the  
694 master development plan.

695 Sec. 24. Section 32-600 of the general statutes is repealed and the  
696 following is substituted in lieu thereof (*Effective from passage*):

697 As used in this chapter and sections 32-650 to 32-668, inclusive, the  
698 following terms shall have the following meanings:

699 (1) "Authority" means the Capital City Economic Development  
700 Authority created pursuant to section 32-601, as amended.

701 (2) "Capital city project" means any or all of the following: (A) A  
702 convention center project as defined in subdivision (3) of this section;  
703 (B) a downtown higher education center; (C) the renovation and  
704 rejuvenation of the civic center and coliseum complex; (D) the  
705 development of the infrastructure and improvements to the riverfront,  
706 which may include the science center; (E) (i) the creation of up to one  
707 thousand downtown housing units through rehabilitation and new  
708 construction and (ii) the demolition or redevelopment of vacant  
709 buildings; and (F) the addition to downtown parking capacity. All  
710 capital city projects shall be located or constructed and operated in the  
711 capital city economic development district, as defined in subdivision  
712 (7) of this section, provided any project undertaken pursuant to  
713 subparagraph (E) (ii) of this subdivision may be located anywhere in  
714 the town and city of Hartford.

715 (3) "Convention center" means a convention facility constructed and  
716 operated in the capital city economic development district, including  
717 parking for such facility, in conjunction with a privately developed  
718 hotel, including equipment, fixtures, furnishings and appurtenances  
719 integral and normally associated with the construction and operation  
720 of a convention center and ancillary facilities and infrastructure  
721 improvements as more particularly described in the master  
722 development plan.

723 (4) "Convention center facilities" means the convention center and  
724 the related parking facilities, [as defined in section 32-651,] to the  
725 extent such related parking facilities are developed, owned or operated  
726 by the authority, and may include a central heating and cooling plant  
727 serving the convention center, the related parking facilities, the related  
728 private development and, to the extent of any surplus capacity, other  
729 users. "Convention center facilities" does not include the convention  
730 center hotel.

731 (5) "Convention center hotel" means the privately developed hotel  
732 required to be constructed and operated in conjunction with the



733 convention center, as more particularly described in the master  
734 development plan, [as defined in section 32-651,] including the second  
735 phase of the convention center hotel as therein described.

736 (6) "Convention center project" means the development, design,  
737 construction, finishing, furnishing and equipping of the convention  
738 center facilities and related site acquisition and site preparation.

739 (7) "Capital city economic development district" means the area  
740 bounded and described as follows: The northerly side of Maseek  
741 Street from the intersection of Van Dyke Avenue proceeding westerly  
742 to the intersection of Van Block Avenue, proceeding northerly along  
743 Van Block to the intersection of Nepaquash Street, proceeding easterly  
744 to the intersection of Huyshope Avenue, proceeding northerly along  
745 Huyshope Avenue to the intersection of Charter Oak Avenue,  
746 proceeding westerly along Charter Oak Avenue to Wyllys Street,  
747 proceeding along Wyllys Street to Popieluszko Court, north on  
748 Popieluszko Court to Charter Oak Avenue proceeding westerly to  
749 Main Street, proceeding south along Main Street to Park Street, thence  
750 west along Park Street to Washington Street, thence north along  
751 Washington Street to the entryway to the State Capitol, thence  
752 northwesterly along the Exit 48 on ramp to Interstate 84 northward to  
753 the railroad, now proceeding northeasterly along the railroad to its  
754 intersection with the southerly railroad spur, thence proceeding  
755 southeasterly along the railroad R.O.W. to the Bulkeley Bridge. Thence  
756 easterly to the city line. Proceeding south along city boundary to the  
757 point perpendicular with Maseek Street. Thence westerly to the point  
758 of beginning.

759 (8) "Science center" means the science and technology educational  
760 center to be developed and operated in the capital city economic  
761 development district by the Connecticut Center for Science and  
762 Exploration, Inc., a Connecticut nonstock corporation qualified under  
763 Section 501(c)(3) of the Internal Revenue Code of 1986, or any  
764 subsequent corresponding internal revenue code of the United States,

765 as from time to time amended, including furniture, fixtures, equipment  
766 and ancillary facilities and infrastructure improvements.

767 (9) "Science center project" means the development, design,  
768 construction, finishing, furnishing and equipping of the science center  
769 and related site acquisition and site preparation.

770 (10) "Infrastructure improvements"; "master development plan";  
771 "on-site related private development"; "related parking facilities";  
772 "secretary"; "site acquisition" and "site preparation" shall have the  
773 respective meanings assigned to such terms in section 32-651, as  
774 amended by this act.

775 Sec. 25. Subsection (c) of section 32-602 of the general statutes, as  
776 amended by section 60 of public act 03-6 of the June 30 special session,  
777 is repealed and the following is substituted in lieu thereof (*Effective*  
778 *from passage*):

779 (c) In addition to the powers enumerated in subsection (b) of this  
780 section, with respect to the convention center project, [and] the  
781 convention center facilities and the on-site related private  
782 development, the authority shall have the following powers: (1) To  
783 acquire, by gift, purchase, condemnation, lease or transfer, lands or  
784 rights-in-land in connection with the convention center facilities, the  
785 convention center hotel, the science center, the other on-site related  
786 private development or related infrastructure improvements and to  
787 sell and lease or sublease, as lessor or lessee or sublessor or sublessee,  
788 any portion of its real property rights, including air space above or  
789 areas below the convention center facilities, the convention center  
790 hotel, the science center or the other on-site related private  
791 development, and enter into related common area maintenance,  
792 easement, access, support and similar agreements [or the convention  
793 center hotel,] and own and operate the convention center facilities,  
794 provided that such activity is consistent with all applicable federal tax  
795 covenants of the authority, transfer or dispose of any property or  
796 interest therein acquired by it, at any time and to receive and accept

797 aid or contributions, from any source, of money, labor, property or  
 798 other things of value, to be held, used and applied to carry out the  
 799 purposes of this section, subject to the conditions upon which such  
 800 grants and contributions are made, including, but not limited to, gifts  
 801 or grants from any department, agency or instrumentality of the  
 802 United States or this state for any purpose consistent with this section;  
 803 (2) to condemn properties which may be necessary or desirable to  
 804 effectuate the purposes of the authority with respect to the convention  
 805 center project and the [convention center hotel] development of the on-  
 806 site related private development to be exercised in accordance with the  
 807 provisions of chapter 835; (3) to formulate plans for, acquire, finance  
 808 and develop, lease, purchase, construct, reconstruct, repair, improve,  
 809 expand, extend, operate, maintain and market the convention center  
 810 facilities, or, with the approval of the secretary in the event of default  
 811 by any developer or lessee or if the authority and the secretary  
 812 otherwise determine it to be in the best interest of the state, any on-site  
 813 related private development, provided such activities are consistent  
 814 with all applicable federal tax covenants of the authority and provided  
 815 further that the authority shall retain control over naming rights with  
 816 respect to the convention center, that any sale of such naming rights  
 817 shall require the approval of the secretary and that the proceeds of any  
 818 such sale of naming rights, to the extent not required for start-up or  
 819 current operating expenses of the convention center, shall be used by  
 820 the authority exclusively for the purpose of operating or capital  
 821 replacement reserves for the convention center; (4) to contract and be  
 822 contracted with provided, if management, operating or promotional  
 823 contracts or agreements or other contracts or agreements are entered  
 824 into with nongovernmental parties with respect to property financed  
 825 with the proceeds of obligations the interest on which is excluded from  
 826 gross income for federal income taxation, the board of directors shall  
 827 ensure that such contracts or agreements are in compliance with the  
 828 covenants of the authority upon which such tax exclusion is  
 829 conditioned; (5) to enter into arrangements or contracts to either  
 830 purchase or lease, on a fully completed turn key basis, the convention

831 center, and arrangements with the secretary regarding the  
832 development, ownership and operation by the authority of the related  
833 parking facilities, and to enter into a contract or contracts with an  
834 entity, or entities, for operation and management thereof and, for  
835 purposes of section 31-57f relating to standard wage rates for certain  
836 service workers, any such contract for operation and management of  
837 the convention center shall be deemed to be a contract with the state;  
838 (6) to fix and revise, from time to time, and to charge and collect fees,  
839 rents and other charges for the use, occupancy or operation of such  
840 projects, and to establish and revise from time to time, procedures in  
841 respect of the use, operation and occupancy of the convention center  
842 facilities, including parking rates, rules and procedures, provided such  
843 arrangements are consistent with all applicable federal tax covenants  
844 of the authority, and to utilize net revenues received by the authority  
845 from the operation of the convention center facilities, after allowance  
846 for operating expenses, [and] other charges related to the ownership,  
847 operation or financing [thereof] of the convention center facilities, and  
848 other obligations of the authority under leases or agreements relating  
849 to the convention center facilities, the science center or the other on-site  
850 related private development, for other proper purposes of the  
851 authority, including, but not limited to, funding of operating  
852 deficiencies or operating or capital replacement reserves for either the  
853 convention center or the related parking facilities as determined to be  
854 appropriate by the authority; (7) to engage architects, engineers,  
855 attorneys, accountants, consultants and such other independent  
856 professionals as may be necessary or desirable to carry out its  
857 purposes; to contract for construction, development, concessions and  
858 the procurement of goods and services and to establish and modify  
859 procurement procedures from time to time to implement the foregoing  
860 in accordance with the provisions of section 32-603; (8) to adopt  
861 procedures (A) which shall require that contractors or subcontractors  
862 engaged in the convention center project and the construction of the  
863 convention center hotel take affirmative action to provide equal  
864 opportunity for employment without discrimination as to race, creed,

865 color, national origin or ancestry or gender, (B) to ensure that the  
866 wages paid on an hourly basis to any mechanic, laborer or workman  
867 employed by such contractor or subcontractor with respect to the  
868 convention center project or the construction of the convention center  
869 hotel shall be at a rate customary or prevailing for the same work in  
870 the same trade or occupation in the town and city of Hartford, unless  
871 otherwise established pursuant to a project labor agreement, and (C)  
872 which shall require the prime construction contractors for the  
873 convention center project and for the convention center hotel, and the  
874 principal facility managers of the convention center facilities and the  
875 convention center hotel to make reasonable efforts to hire or cause to  
876 be hired available and qualified residents of the city of Hartford and  
877 available and qualified members of minorities, as defined in section 32-  
878 9n, for construction and operation jobs at the convention center  
879 facilities and the convention center hotel at all levels of construction  
880 and operation; (9) to enter into a development agreement with the  
881 developer of the convention center hotel, which agreement shall  
882 prohibit any voluntary sale, transfer or other assignment of the  
883 interests of such developer, or any affiliate thereof, in the convention  
884 center hotel, including the rights under any ground lease, air rights or  
885 similar agreement with the state or the authority, for a minimum  
886 period of five years from the completion thereof except with the prior  
887 written consent of the authority given or withheld in its sole discretion,  
888 and thereafter except to a party which, in the reasonable judgment of  
889 the authority, is financially responsible and experienced in the  
890 ownership and operation of first class hotel properties in similar  
891 locations; (10) to borrow money and to issue bonds, notes and other  
892 obligations of the authority to the extent permitted under section 32-  
893 607, to fund and refund the same and to provide for the rights of the  
894 holders thereof and to secure the same by pledge of assets, revenues,  
895 notes and state contract assistance as provided in section 32-608; (11) to  
896 do anything necessary and desirable, including executing  
897 reimbursement agreements or similar agreements in connection with  
898 credit facilities, including, but not limited to, letters of credit or policies

899 of bond insurance, remarketing agreements and agreements for the  
 900 purpose of moderating interest rate fluctuations, to render any bonds  
 901 to be issued pursuant to section 32-607 more marketable; [and] (12) to  
 902 engage in and contract for marketing and promotional activities to  
 903 attract national, regional and local conventions, sports events, trade  
 904 shows, exhibitions, banquets and other events to maximize the use of  
 905 the convention center facilities; (13) to develop, own, operate, manage,  
 906 maintain, improve, market, lease and sublease tenant space  
 907 constructed as part of the related parking facilities for retail,  
 908 recreational, cultural, educational or entertainment uses provided such  
 909 arrangements are consistent with all applicable tax covenants of the  
 910 authority; (14) to assist, support and participate in the science center  
 911 project, including through the exercise of any of the powers otherwise  
 912 enumerated in this section, provided, except as may otherwise be  
 913 authorized by applicable law, costs incurred by the authority for the  
 914 benefit of the science center shall be paid or reimbursed by the science  
 915 center or from funds otherwise available for the science center project;  
 916 and (15) in furtherance of the public purposes set forth in this section  
 917 and section 32-650, hold, exercise and carry out such rights, interests,  
 918 activities, responsibilities and obligations of the secretary as the  
 919 secretary may delegate or assign to the authority pursuant to  
 920 subdivision (12) of subsection (a) of section 32-655.

921 Sec. 26. Subdivision (21) of section 32-651 of the general statutes is  
 922 repealed and the following is substituted in lieu thereof (*Effective from*  
 923 *passage*):

924 (21) "On-site related private development" means the convention  
 925 center hotel, the science center and the other housing, entertainment,  
 926 recreation, educational, cultural, retail and office development on the  
 927 Adriaen's Landing site contemplated by the master development plan.  
 928 "On-site related private development" includes the second phase of the  
 929 convention center hotel as described in the master development plan  
 930 but excludes any other addition to, or any expansion, demolition,  
 931 conversion or other modification of, any such on-site related private

932 development unless the secretary certifies in the secretary's discretion  
933 that such addition, expansion, demolition, conversion or other  
934 modification is being undertaken by agreement with the secretary in  
935 furtherance of the objectives of the master development plan.

936 Sec. 27. Subdivision (30) of section 32-651 of the general statutes is  
937 repealed and the following is substituted in lieu thereof (*Effective from*  
938 *passage*):

939 (30) "Related private development" means privately developed  
940 facilities or projects located within the capital city economic  
941 development district and associated with the convention center,  
942 including the hotel to be developed in conjunction with the convention  
943 center, the science center and such other privately developed facilities  
944 or projects, which may include housing, hotel, retail, entertainment,  
945 educational, cultural, recreation, office or parking facilities or projects,  
946 including privately developed or financed improvements related to the  
947 convention center or such facilities or projects, as contemplated by the  
948 master development plan. For purposes of this subdivision, the term  
949 "associated" means functionally and economically related to the  
950 convention center as part of an integrated effort to develop and  
951 revitalize the urban core of the city of Hartford as an attractive  
952 destination for visitors and location for new businesses and residents.

953 Sec. 28. Subdivision (1) of subsection (a) of section 32-655 of the  
954 general statutes is repealed and the following is substituted in lieu  
955 thereof (*Effective from passage*):

956 (1) Acquire, by condemnation, gift, purchase, lease, lease-purchase,  
957 exchange or otherwise, the real property comprising the Adriaen's  
958 Landing site and the stadium facility site and such other real property  
959 determined to be necessary by the secretary for off-site infrastructure  
960 improvements related to the development of the Adriaen's Landing  
961 site or the stadium facility site or for temporary use for construction  
962 staging or replacement parking during the period of construction as  
963 contemplated by the master development plan, including the exchange

964 of real property acquired by the secretary under authority of this  
 965 chapter for other real property in circumstances where the secretary  
 966 determines that such exchange will better conform site boundaries to  
 967 final plans or otherwise facilitate the layout, development or financing  
 968 of the public and private improvements contemplated by the master  
 969 development plan.

970 Sec. 29. Subdivision (3) of subsection (a) of section 32-655 of the  
 971 general statutes is repealed and the following is substituted in lieu  
 972 thereof (*Effective from passage*):

973 (3) Lease or sublease, as lessor or lessee or sublessor or sublessee,  
 974 and grant temporary or permanent easements and rights-of-way and  
 975 enter into access, support, common area maintenance and similar  
 976 agreements with respect to, any real property in connection with the  
 977 overall project and the on-site related private development, including  
 978 leases or subleases, as lessor or lessee or sublessor or sublessee, of off-  
 979 site real property in connection with site acquisition arrangements, on  
 980 terms to be determined by the secretary.

981 Sec. 30. Subdivision (4) of subsection (a) of section 32-655 of the  
 982 general statutes is repealed and the following is substituted in lieu  
 983 thereof (*Effective from passage*):

984 (4) Enter into agreements, pursuant to which the state may be  
 985 obligated, among other things, to (A) acquire or provide the stadium  
 986 facility site, or all or any portion of the Adriaen's Landing site, (B)  
 987 provide bond proceeds or other state moneys with which to pay  
 988 project costs, and (C) plan, undertake, perform or otherwise provide  
 989 for the site preparation, the implementation of the infrastructure  
 990 improvements and the development of the overall project, and, upon  
 991 completion or at such other time determined by the secretary and the  
 992 authority, transfer to the authority ownership of, and any other rights  
 993 and obligations of the secretary with respect to the [related parking]  
 994 convention center facilities.



995       Sec. 31. (NEW) (*Effective October 1, 2004*) As used in sections 31 to 38,  
996 inclusive, of this act:

997       (1) "Brand family" means all styles of cigarettes sold under the same  
998 trade mark and differentiated from one another by means of additional  
999 modifiers or descriptors, including, but not limited to, menthol, lights,  
1000 kings and 100's, and includes any use of a brand name, alone or in  
1001 conjunction with any other word, trademark, logo, symbol, motto,  
1002 selling message, recognizable pattern of colors, or any other indicia of  
1003 product identification identical or similar to, or identifiable with, a  
1004 previously known brand of cigarettes;

1005       (2) "Cigarette" has the same meaning as provided in section 4-28h  
1006 of the general statutes;

1007       (3) "Commissioner" means the Commissioner of Revenue Services;

1008       (4) "Nonparticipating manufacturer" means any tobacco product  
1009 manufacturer that is not a participating manufacturer;

1010       (5) "Participating manufacturer" has the meaning as provided in  
1011 section II(jj) of the Master Settlement Agreement, as defined in section  
1012 4-28h of the general statutes, and all amendments thereto;

1013       (6) "Qualified escrow fund" has the same meaning as provided in  
1014 section 4-28h of the general statutes;

1015       (7) "Stamper" means a person that may lawfully purchase  
1016 unstamped packages of cigarettes and affix Connecticut cigarette tax  
1017 stamps to such packages before selling them;

1018       (8) "Tobacco product manufacturer" has the same meaning as  
1019 provided in section 4-28h of the general statutes; and

1020       (9) "Units sold" has the same meaning as provided in section 4-28h  
1021 of the general statutes.

1022       Sec. 32. (NEW) (*Effective October 1, 2004*) (a) Any tobacco product

1023 manufacturer whose cigarettes are sold in this state, whether directly  
1024 or through a distributor, retailer or similar intermediary or  
1025 intermediaries, shall execute a certification annually on a form  
1026 prescribed by the commissioner, certifying under penalty of law for  
1027 false statement that, as of the date of such certification, such tobacco  
1028 product manufacturer is either a participating manufacturer or is in  
1029 full compliance with the provisions of sections 4-28h to 4-28j, inclusive,  
1030 of the general statutes. Such tobacco product manufacturer shall  
1031 deliver such certificate to the commissioner and Attorney General no  
1032 later than April thirtieth of each year. Each tobacco product  
1033 manufacturer shall maintain all invoices and documentation of sales  
1034 and other such information relied upon for such certification for a  
1035 period of five years unless otherwise required by law to maintain them  
1036 for a longer period of time.

1037 (b) If a tobacco product manufacturer is a participating  
1038 manufacturer, such manufacturer shall include in its certification a list  
1039 of its brand families. The participating manufacturer shall update such  
1040 list thirty days prior to any addition to, or modification of, its brand  
1041 families by executing and delivering a supplemental certification to the  
1042 Attorney General and the commissioner.

1043 (c) If the tobacco product manufacturer is a nonparticipating  
1044 manufacturer, such manufacturer shall include in its certification: (1) A  
1045 list of all of its brand families and the number of units of each brand  
1046 family that were sold in the state during the preceding calendar year;  
1047 (2) a list of all of its brand families that have been sold in the state at  
1048 any time during the current calendar year; (3) an indication, by an  
1049 asterisk, of any brand family sold in the state during the preceding  
1050 calendar year that is no longer being sold in the state as of the date of  
1051 such certification; and (4) the name and address of any other  
1052 manufacturer of such brand families in the preceding or current  
1053 calendar year. Each nonparticipating manufacturer shall update such  
1054 list thirty days prior to any addition to, or modification of, its brand  
1055 families by executing and delivering a supplemental certification to the

1056 Attorney General and the commissioner.

1057 (d) If the tobacco product manufacturer is a nonparticipating  
1058 manufacturer, such manufacturer shall further (1) certify that such  
1059 nonparticipating manufacturer is registered to do business in this state  
1060 pursuant to title 33 or 34 of the general statutes as a foreign  
1061 corporation or business entity or has appointed an agent for service of  
1062 process and provided notice thereof as required by section 34 of this  
1063 act, (2) certify that such nonparticipating manufacturer has established  
1064 and continues to maintain a qualified escrow fund and has executed a  
1065 qualified escrow agreement that governs the qualified escrow fund, (3)  
1066 certify that such nonparticipating manufacturer is in full compliance  
1067 with the provisions of sections 4-28h to 4-28j, inclusive, of the general  
1068 statutes and sections 31 to 38, inclusive, of this act, and any regulations  
1069 adopted under sections 4-28h to 4-28j, inclusive, of the general statutes  
1070 and sections 31 to 38, inclusive, of this act, and (4) provide (A) the  
1071 name, address and telephone number of the financial institution where  
1072 the nonparticipating manufacturer has established such qualified  
1073 escrow fund required pursuant to the provisions of sections 4-28h to 4-  
1074 28j, inclusive, of the general statutes and all regulations adopted under  
1075 sections 4-28h to 4-28j, inclusive, of the general statutes; (B) the account  
1076 number of such qualified escrow fund and subaccount number for the  
1077 state of Connecticut; (C) the amount that such nonparticipating  
1078 manufacturer placed in such fund for cigarettes sold in the state during  
1079 the preceding calendar year, the date and amount of each such deposit,  
1080 and such evidence or verification as may be deemed necessary by the  
1081 commissioner or the Attorney General, to confirm the foregoing; and  
1082 (D) the amounts of and dates of any withdrawal or transfer of funds  
1083 the nonparticipating manufacturer made at any time from such fund  
1084 or from any other qualified escrow fund into which it ever made  
1085 escrow payments pursuant to the provisions of sections 4-28h to 4-28j,  
1086 inclusive, of the general statutes and all regulations adopted under  
1087 sections 4-28h to 4-28j, inclusive, of the general statutes.

1088 (e) A tobacco product manufacturer may not include in its

1089 certification a brand family unless (1) in the case of a participating  
1090 manufacturer, the participating manufacturer affirms that the brand  
1091 family is to be deemed to be its cigarettes for purposes of calculating  
1092 its payments under the Master Settlement Agreement for the relevant  
1093 year, in the volume and shares determined pursuant to the Master  
1094 Settlement Agreement; and (2) in the case of a nonparticipating  
1095 manufacturer, such nonparticipating manufacturer affirms that the  
1096 brand family is to be deemed to be its cigarettes for purposes of  
1097 sections 4-28h to 4-28j, inclusive, of the general statutes. Nothing in  
1098 this section shall be construed as limiting or otherwise affecting the  
1099 state's right to maintain that a brand family constitutes cigarettes of a  
1100 different tobacco product manufacturer for purposes of calculating  
1101 payments under the Master Settlement Agreement or for purposes of  
1102 sections 4-28h to 4-28j, inclusive, of the general statutes.

1103       Sec. 33. (NEW) (*Effective October 1, 2004*) (a) (1) Not later than July 1,  
1104 2005, the commissioner shall develop and make available for public  
1105 inspection, on the Department of Revenue Services' website and in  
1106 such other forms as the commissioner deems appropriate, a directory  
1107 listing of all tobacco product manufacturers that have provided  
1108 current and accurate certifications conforming to the requirements of  
1109 section 32 of this act and all brand families that are listed in such  
1110 certifications. The commissioner shall update the directory as  
1111 necessary in order to correct mistakes and to add or remove a tobacco  
1112 product manufacturer or brand family to keep the directory current  
1113 and in conformity with the requirements of sections 31 to 38, inclusive,  
1114 of this act.

1115       (2) The commissioner shall not include or retain in such directory  
1116 the name or brand families of any manufacturer that has failed to  
1117 provide the required certification or whose certification the  
1118 commissioner determines is not in compliance with the provisions of  
1119 section 32 of this act, unless such violation has been remedied to the  
1120 satisfaction of the commissioner.

1121 (3) The commissioner shall not include or retain in the directory any  
1122 brand family of a nonparticipating manufacturer if the commissioner  
1123 concludes: (A) All escrow payments required pursuant to the  
1124 provisions of sections 4-28h to 4-28j, inclusive, of the general statutes  
1125 for any period for any brand family, whether or not listed by such  
1126 nonparticipating manufacturer, have not been fully paid into a  
1127 qualified escrow fund governed by a qualified escrow agreement that  
1128 has been approved by the Attorney General, or (B) any outstanding  
1129 final judgment, including interest thereon, for a violation of sections 4-  
1130 28h to 4-28j, inclusive, of the general statutes has not been fully  
1131 satisfied for such brand family and such manufacturer.

1132 (b) It shall be unlawful for any person:

1133 (1) To affix a tax stamp to a package or other container of cigarettes  
1134 of a tobacco product manufacturer or brand family not included in the  
1135 directory; and

1136 (2) To sell, offer, possess for sale or distribute in this state, cigarettes  
1137 of a tobacco product manufacturer or brand family not included in the  
1138 directory.

1139 (c) A violation of subsection (b) of this section shall be a class A  
1140 misdemeanor.

1141 (d) Any person who violates subsection (b) of this section engages in  
1142 an unfair and deceptive trade practice in violation of section 42-110b of  
1143 the general statutes.

1144 (e) A determination by the commissioner not to include a brand  
1145 family or tobacco product manufacturer in the directory maintained  
1146 pursuant to this section or to remove such brand family or  
1147 manufacturer from the directory shall be subject to review in the  
1148 manner prescribed by section 12-311 of the general statutes.

1149 Sec. 34. (NEW) (*Effective October 1, 2004*) (a) Any nonparticipating  
1150 manufacturer that has not registered to do business in this state,

1151 pursuant to title 33 or 34 of the general statutes, as a foreign  
1152 corporation or business entity shall, as a condition precedent to having  
1153 its brand families listed or retained in the directory maintained  
1154 pursuant to section 33 of this act, appoint and continually engage  
1155 without interruption the services of an agent in this state to act as  
1156 agent for the service of process on whom all process and any action or  
1157 proceeding against it concerning or arising out of the enforcement of  
1158 the provisions of sections 31 to 38, inclusive, of this act and the  
1159 provisions of sections 4-28h to 4-28j, inclusive, of the general statutes  
1160 may be served in any manner authorized by law. Such service shall  
1161 constitute legal and valid service of process on the nonparticipating  
1162 manufacturer. The nonparticipating manufacturer shall provide the  
1163 name, address, telephone number and proof of the appointment and  
1164 availability of such agent to, and to the satisfaction of, the  
1165 commissioner and the Attorney General.

1166 (b) A nonparticipating manufacturer shall provide notice to the  
1167 commissioner and the Attorney General at least thirty calendar days  
1168 prior to termination of the authority of an agent and shall further  
1169 provide proof, to the satisfaction of the commissioner and the Attorney  
1170 General, of the appointment of a new agent no less than five calendar  
1171 days prior to the termination of an existing agent appointment. In the  
1172 event an agent terminates an agency, the nonparticipating  
1173 manufacturer shall notify the commissioner and the Attorney General  
1174 of such termination not later than five calendar days after such  
1175 termination and shall include proof, to the satisfaction of the  
1176 commissioner and the Attorney General, of the appointment of a new  
1177 agent.

1178 (c) Any nonparticipating manufacturer whose products are sold in  
1179 this state without appointing or designating an agent as required in  
1180 this section shall be deemed to have appointed the Secretary of the  
1181 State as such agent and may be proceeded against in courts of this state  
1182 by service of process upon the Secretary of the State, except that the  
1183 appointment of the Secretary of the State as such agent shall not satisfy

1184 the condition precedent to having the brand families of the  
1185 nonparticipating manufacturer listed or retained in the directory.

1186       Sec. 35. (NEW) (*Effective January 1, 2005*) (a) Not later than twenty-  
1187 five days after the end of each month, and more frequently if so  
1188 directed by the commissioner, each stamper shall submit such  
1189 information as the commissioner requires to facilitate compliance with  
1190 sections 31 to 38, inclusive, of this act, including, but not limited to, a  
1191 list by brand family of the total number of cigarettes, or in the case of  
1192 roll-your-own tobacco, the equivalent stick count, for which the  
1193 stamper affixed stamps during the previous month. The stamper shall  
1194 maintain, and make available to the commissioner for a period of five  
1195 years, all invoices and documentation of purchases and sales of all  
1196 nonparticipating manufacturer cigarettes and any other information  
1197 relied upon in reporting to the commissioner. Each stamper shall  
1198 provide and update as necessary an electronic mail address to the  
1199 commissioner.

1200       (b) The commissioner may disclose to the Attorney General any  
1201 information received under sections 31 to 38, inclusive, of this act and  
1202 requested by the Attorney General for purposes of determining  
1203 compliance with and enforcing the provisions of sections 31 to 38,  
1204 inclusive, of this act. The commissioner and the Attorney General shall  
1205 share with each other the information received under sections 31 to 38,  
1206 inclusive, of this act, and may share such information with other  
1207 federal, state or local agencies only for purposes of enforcement of  
1208 sections 31 to 38, inclusive, of this act, the provisions of sections 4-28h  
1209 to 4-28j, inclusive, of the general statutes or corresponding laws of  
1210 other states.

1211       (c) The Attorney General may require at any time from a  
1212 nonparticipating manufacturer proof of the amount of money in the  
1213 qualified escrow fund maintained by such manufacturer for the  
1214 purpose of compliance with provisions of sections 4-28h to 4-28j,  
1215 inclusive, of the general statutes. Such proof shall be provided to such

1216 manufacturer by the financial institution in which such manufacturer  
1217 has established such fund. Such proof shall include the amount of  
1218 money in such fund, exclusive of interest, the amount and date of each  
1219 deposit to such fund and the amount and date of each withdrawal  
1220 from such fund.

1221 (d) In addition to the information requested to be submitted  
1222 pursuant to subsection (a) of this section and section 32 of this act, the  
1223 commissioner may require a stamper or tobacco product manufacturer  
1224 to submit any additional information including, but not limited to,  
1225 samples of the packaging or labeling of each brand family, as is  
1226 necessary to enable the Attorney General to determine whether a  
1227 tobacco product manufacturer is in compliance with the provisions of  
1228 sections 31 to 38, inclusive, of this act.

1229 (e) To promote compliance with the provisions of sections 31 to 38,  
1230 inclusive, of this act, the commissioner may adopt regulations, in  
1231 accordance with the provisions of chapter 54 of the general statutes,  
1232 requiring a tobacco product manufacturer subject to the requirements  
1233 of subsection (c) of section 32 of this act to make the escrow deposits  
1234 required in quarterly installments during the year in which the sales  
1235 covered by such deposits are made. The commissioner may require  
1236 production of information sufficient to enable the commissioner to  
1237 determine the adequacy of the amount of the installment deposit.

1238 Sec. 36. (NEW) (*Effective October 1, 2004*) (a) In addition to any other  
1239 civil or criminal remedy provided by law, upon a determination that a  
1240 stamper has violated subsection (b) of section 33 of this act or any  
1241 regulation adopted under sections 31 to 38, inclusive, of this act, the  
1242 commissioner, after a hearing, may revoke or suspend the license of  
1243 such stamper in the manner provided by section 12-295 of the general  
1244 statutes. Each stamp affixed and each offer to sell cigarettes in  
1245 violation of subsection (b) of section 33 of this act shall constitute a  
1246 separate violation. The commissioner may also assess such stamper a  
1247 civil penalty in an amount not to exceed the greater of five hundred



1248 per cent of the retail value of the cigarettes, or five thousand dollars,  
1249 upon a determination of violation of subsection (b) of section 33 of this  
1250 act.

1251 (b) Any cigarettes that have been sold, offered for sale or possessed  
1252 for sale in this state, in violation of subsection (b) of section 33 of this  
1253 act shall be deemed contraband under section 12-305 of the general  
1254 statutes and such cigarettes shall be subject to seizure and forfeiture as  
1255 provided in section 12-305 of the general statutes. All such cigarettes so  
1256 seized and forfeited shall be destroyed and not resold.

1257 (c) The Attorney General, on behalf of the commissioner, may seek  
1258 an injunction to restrain a threatened or actual violation of subsection  
1259 (b) of section 33 of this act and subsections (a) and (d) of section 35 of  
1260 this act by a stamper and to compel the stamper to comply with said  
1261 subsections. The commissioner may adopt regulations, in accordance  
1262 with the provisions of chapter 54 of the general statutes, to effect the  
1263 purposes of this section.

1264 Sec. 37. (NEW) (*Effective October 1, 2004*) (a) In any action brought by  
1265 the state to enforce the provisions of sections 31 to 36, inclusive, of this  
1266 act, the state shall be entitled to recover, when it is the prevailing  
1267 party, the costs of investigation, expert witness fees, costs of the action  
1268 and reasonable attorneys' fees.

1269 (b) If a court determines that a person has violated the provisions of  
1270 sections 31 to 36, inclusive, of this act, the court shall order any profits,  
1271 gains, gross receipts or other benefits from the violation to be paid to  
1272 the state. Unless otherwise expressly provided, the remedies or  
1273 penalties provided by sections 31 to 36, inclusive, of this act are  
1274 cumulative to each other and to the remedies or penalties available  
1275 under all other laws of this state.

1276 Sec. 38. (NEW) (*Effective October 1, 2004*) If a court of competent  
1277 jurisdiction finds that the provisions of sections 31 to 38, inclusive, of  
1278 this act and sections 4-28h to 4-28j, inclusive, of the general statutes

1279 conflict and cannot be reconciled, then sections 4-28h to 4-28j,  
1280 inclusive, of the general statutes shall supersede the provisions of said  
1281 sections 31 to 38, inclusive. If any section, subsection, subdivision,  
1282 subparagraph, sentence, clause or phrase of said sections 31 to 38,  
1283 inclusive, causes sections 4-28h to 4-28j, inclusive, of the general  
1284 statutes to no longer constitute a qualifying or model statute, as those  
1285 terms are defined in the Master Settlement Agreement, then that  
1286 portion of said sections 31 to 38, inclusive, shall not be valid. If any  
1287 section, subsection, subdivision, subparagraph, sentence, clause or  
1288 phrase of said sections 31 to 38, inclusive, is for any reason held to be  
1289 invalid, unlawful or unconstitutional, such decision shall not affect the  
1290 validity of the remaining portions of said sections 31 to 38, inclusive, or  
1291 any part thereof.

1292 Sec. 39. Subsection (b) of section 4-28i of the general statutes is  
1293 repealed and the following is substituted in lieu thereof (*Effective July*  
1294 *1, 2004*):

1295 (b) A tobacco product manufacturer that places funds into escrow  
1296 pursuant to subsection (a) of this section shall receive the interest, or  
1297 other appreciation on such funds, as earned. Such funds shall be  
1298 released from escrow only (1) to pay a judgment or settlement on any  
1299 released claim brought against such tobacco product manufacturer by  
1300 the state or any releasing party located or residing in the state. Funds  
1301 shall be released from escrow under this subdivision in the order in  
1302 which the funds were placed into escrow and only to the extent and at  
1303 such time as is necessary to make payments required under such  
1304 judgment or settlement; (2) to the extent that a tobacco product  
1305 manufacturer establishes that the amount it was required to place into  
1306 escrow on account of units sold in this state in a particular year was  
1307 greater than [the state's allocable share of the total payments that such  
1308 manufacturer would have been required to make in that year under  
1309 the Master Settlement Agreement had it been a participating  
1310 manufacturer, as such payments are determined pursuant to section  
1311 IX(i)(2) of that Master Settlement Agreement and before any of the

1312 adjustments or offsets described in section IX(i)(3) of that agreement  
 1313 other than the inflation adjustment] the Master Settlement Agreement  
 1314 payments, as determined pursuant to section IX(i) of that Agreement  
 1315 including after final determinations of all adjustments, that such  
 1316 manufacturer would have been required to make on account of such  
 1317 units sold had it been a participating manufacturer, the excess shall be  
 1318 released from escrow and revert back to that tobacco product  
 1319 manufacturer; or (3) to the extent not released from escrow under  
 1320 subdivision (1) or (2) of this subsection, funds shall be released from  
 1321 escrow and revert back to such tobacco product manufacturer twenty-  
 1322 five years after the date on which such funds were placed into escrow.

1323 Sec. 40. (*Effective from passage*) If a court of competent jurisdiction  
 1324 holds that subdivision (2) of subsection (b) of section 4-28i of the  
 1325 general statutes, as amended by section 39 of this act, is  
 1326 unconstitutional, then the amendment to that subsection made by said  
 1327 section 43 shall not be given effect.

1328 Sec. 41. Subsection (j) of section 38a-88a of the general statutes is  
 1329 repealed and the following is substituted in lieu thereof (*Effective July*  
 1330 *1, 2004*):

1331 (j) The tax credit allowed by this section shall only be available for  
 1332 investments in funds that are not open to additional investments or  
 1333 investors beyond the amount subscribed at the formation of the fund.  
 1334 No credits shall be allowed under this section for investments in any  
 1335 fund created on or after July 1, 2000. No credit shall be allowed under  
 1336 this section for investments made in an insurance business through  
 1337 such fund after December 31, [2015] 2004.

1338 Sec. 42. Subdivision (5) of section 12-412 of the general statutes, as  
 1339 amended by section 54 of public act 03-6 of the June 30 special session,  
 1340 is repealed and the following is substituted in lieu thereof (*Effective July*  
 1341 *1, 2004*):

1342 (5) Sales of tangible personal property or services to and by

1343 nonprofit charitable hospitals in this state, nonprofit nursing homes,  
 1344 nonprofit rest homes and nonprofit residential care homes licensed by  
 1345 the state pursuant to chapter 368v for the exclusive purposes of such  
 1346 institutions except any such service transaction as described in  
 1347 subparagraph (EE) of subdivision (37) of subsection (a) of section 12-  
 1348 407, as amended, and sales of tangible personal property or services to  
 1349 and by acute care, for-profit hospitals for the exclusive purposes of  
 1350 such institutions in the delivery of patient care, except any such service  
 1351 transaction as described in subparagraph (EE) of subdivision (37) of  
 1352 subsection (a) of section 12-407, as amended.

1353 Sec. 43. Subdivision (5) of section 12-412 of the general statutes, as  
 1354 amended by section 54 of public act 03-6 of the June 30 special session,  
 1355 is repealed and the following is substituted in lieu thereof (*Effective*  
 1356 *from passage and applicable to sales occurring on or after July 1, 2005*):

1357 (5) Sales of tangible personal property or services to and by  
 1358 nonprofit charitable hospitals in this state, nonprofit nursing homes,  
 1359 nonprofit rest homes and nonprofit residential care homes licensed by  
 1360 the state pursuant to chapter 368v for the exclusive purposes of such  
 1361 institutions except any such service transaction as described in  
 1362 subparagraph (EE) of subdivision (37) of subsection (a) of section 12-  
 1363 407, as amended, and sales of [medical equipment and supplies for  
 1364 patient care] tangible personal property or services to and by acute  
 1365 care, for-profit hospitals for the exclusive purposes of such institutions  
 1366 in the delivery of patient care, except any such service transaction as  
 1367 described in subparagraph (EE) of subdivision (37) of subsection (a) of  
 1368 section 12-407, as amended.

1369 Sec. 44. (NEW) (*Effective July 1, 2004*) Notwithstanding any  
 1370 provision of the general statutes, for the fiscal year ending June 30,  
 1371 2005, five hundred thousand dollars of the balance of the Tobacco and  
 1372 Health Trust Fund shall be transferred to the Children's Health  
 1373 Initiative account in the Department of Public Health to continue  
 1374 support for the Easy Breathing Program and any remaining balance in

1375 the Tobacco and Health Trust Fund shall be credited to the resources  
1376 of the General Fund.

1377 Sec. 45. Subsection (c) of section 46 of public act 03-1 of the June 30  
1378 special session is repealed and the following is substituted in lieu  
1379 thereof (*Effective July 1, 2004*):

1380 Notwithstanding any provision of the general statutes, for the fiscal  
1381 year ending June 30, 2004, and the fiscal year ending June 30, 2005, the  
1382 sum of [\$2,000,000] \$4,000,000 shall be transferred from the resources  
1383 of the Biomedical Research Trust Fund and credited to the resources of  
1384 the General Fund.

1385 Sec. 46. (NEW) (*Effective July 1, 2004*) Notwithstanding any  
1386 provision of the general statutes, for the fiscal year ending June 30,  
1387 2005, the sum of one million five hundred thousand dollars shall be  
1388 transferred to the resources of the General Fund from the pretrial  
1389 account established under section 54-56k of the general statutes.

1390 Sec. 47. Subsection (b) of section 15-144 of the general statutes is  
1391 repealed and the following is substituted in lieu thereof (*Effective July*  
1392 *1, 2004*):

1393 (b) (1) [The owner shall pay a fee to the Commissioner of Motor  
1394 Vehicles for deposit with the State Treasurer for each vessel so  
1395 numbered or registered] Each certificate of number and registration  
1396 shall be issued by the Commissioner of Motor Vehicles for a period of  
1397 two years. The fee for such number and registration and for each  
1398 renewal thereof shall be determined in accordance with the following  
1399 schedule and subdivisions of this subsection:

T1	Overall Length			Overall Length		
T2	at	less	<u>Annual</u>	at	less	<u>Annual</u>
T3	least	than	fee	least	than	fee

	(feet)	(feet)		(feet)	(feet)	
T4						
T5		12	\$ 7.50	40	41	\$270.00
T6	12	13	11.25	41	42	292.50
T7	13	14	15.00	42	43	315.00
T8	14	15	18.75	43	44	322.50
T9	15	16	22.50	44	45	330.00
T10	16	17	30.00	45	46	337.50
T11	17	18	37.50	46	47	345.00
T12	18	19	45.00	47	48	352.50
T13	19	20	52.50	48	49	360.00
T14	20	21	60.00	49	50	367.50
T15	21	22	67.50	50	51	375.00
T16	22	23	75.00	51	52	382.50
T17	23	24	82.50	52	53	390.00
T18	24	25	90.00	53	54	397.50
T19	25	26	97.50	54	55	405.00
T20	26	27	105.00	55	56	412.50
T21	27	28	112.50	56	57	420.00
T22	28	29	120.00	57	58	427.50
T23	29	30	127.50	58	59	435.00
T24	30	31	135.00	59	60	442.50
T25	31	32	142.50	60	61	450.00
T26	32	33	150.00	61	62	457.50
T27	33	34	157.50	62	63	465.00
T28	34	35	165.00	63	64	472.50
T29	35	36	172.50	64	65	480.00
T30	36	37	180.00	65 and over		525.00
T31	37	38	202.50			
T32	38	39	225.00			
T33	39	40	247.50			

1400 For purposes of this schedule "overall length" is the horizontal  
1401 distance between the foremost part of the stem and the aftermost part

1402 of the stern, excluding bowsprits, bumpkins, rudders, outboard motor  
1403 brackets and similar fittings or attachments. (2) The annual fee  
1404 [payable] under this subsection with respect to any vessel used  
1405 primarily for purposes of commercial fishing shall not exceed twenty-  
1406 five dollars, provided in the tax year of the owner of such vessel  
1407 ending immediately preceding the date of registration, not less than  
1408 fifty per cent of the adjusted gross income of such owner as  
1409 determined for purposes of the federal income tax is derived from  
1410 commercial fishing, subject to proof satisfactory to the Commissioner  
1411 of Motor Vehicles. (3) The annual fee [payable] under this subsection  
1412 with respect to any vessel constructed primarily of wood, the  
1413 construction of which is completed not less than fifteen years prior to  
1414 the date such fee is paid, shall be in an amount equal to fifty per cent of  
1415 the fee otherwise payable, or if such construction is completed not less  
1416 than twenty-five years prior to the date such fee is paid, such fee shall  
1417 be in an amount equal to twenty-five per cent of the fee otherwise  
1418 payable. (4) Fees payable under this subsection shall not be required  
1419 with respect to (A) any vessel owned by a flotilla of the United States  
1420 Coast Guard Auxiliary or owned by a nonprofit corporation acting on  
1421 behalf of such a flotilla, provided no more than two vessels from any  
1422 such flotilla or nonprofit corporation shall be granted such an  
1423 exemption, and (B) any vessel built by students in an educational  
1424 institution and used for the purposes of such institution, including  
1425 such research as may require the use of such vessel. (5) The annual fee  
1426 [payable] under this subsection with respect to any pontoon boat,  
1427 exclusive of any houseboat, shall be forty dollars. (6) The annual fee  
1428 [payable] under this subsection with respect to any canoe with a motor  
1429 or any vessel owned by a nonprofit organization shall be seven dollars  
1430 and fifty cents. (7) The annual fee [payable] under this subsection with  
1431 respect to any vessel less than fifteen feet in length equipped with a  
1432 motor the horsepower of which is less than fifteen, shall be seven  
1433 dollars and fifty cents. (8) The owner of any vessel used actively, as  
1434 required under this subdivision, in operational activities of the United  
1435 States Coast Guard Auxiliary shall not be required to pay the

1436 applicable fee in accordance with the schedule in this subsection,  
1437 provided (A) if the applicable fee under the schedule for such vessel is  
1438 greater than one hundred eighty dollars, the owner shall be required to  
1439 pay the amount of fee in excess of one hundred eighty dollars, and (B)  
1440 the owner shall not be entitled to exemption from the applicable fee as  
1441 allowed in this subdivision for any vessel registration year unless the  
1442 application for registration of such vessel includes a statement,  
1443 certified by an officer of the United States Coast Guard, that in the  
1444 preceding year such vessel was used actively in not less than three  
1445 separate operational activities of the United States Coast Guard  
1446 Auxiliary.

1447 Sec. 48. Subsection (d) of section 15-144 of the general statutes is  
1448 repealed and the following is substituted in lieu thereof (*Effective July*  
1449 *1, 2004*):

1450 (d) Each certificate of number and certificate of registration issued  
1451 by the Commissioner of Motor Vehicles, shall [expire on the last day of  
1452 April of the year following its issuance] be issued in accordance with a  
1453 schedule established by the commissioner. At least thirty days prior to  
1454 the expiration date of each certificate, the Commissioner of Motor  
1455 Vehicles shall notify the owner of such expiration and the certificate  
1456 may be renewed as prescribed by the Commissioner of Motor Vehicles  
1457 upon application and upon payment of the fee provided in subsection  
1458 (b) of this section. The registration number assigned to a vessel shall  
1459 remain the same so long as the vessel is registered in this state.

1460 Sec. 49. Section 15-144 of the general statutes, as amended by section  
1461 14 of public act 03-244, is amended by adding subsection (i) as follows  
1462 (*Effective July 1, 2004*):

1463 (NEW) (i) The commissioner shall refund one-half the registration  
1464 fee for any vessel when the registration certificate is returned on or  
1465 after January 1, 2004, with one year or more remaining until the  
1466 expiration of such registration.



1467       Sec. 50. (NEW) (*Effective July 1, 2004*) Notwithstanding any  
1468 provision of the general statutes, for the fiscal year ending June 30,  
1469 2005, the first two million dollars paid into the boating account, as  
1470 defined in section 15-155 of the general statutes, shall be credited to the  
1471 resources of the General Fund.

1472       Sec. 51. Section 6-38m of the general statutes, as amended by section  
1473 15 of public act 03-19 and section 5 of public act 03-224, is repealed and  
1474 the following is substituted in lieu thereof (*Effective July 1, 2004*):

1475       (a) There is established a state marshal account which shall be a  
1476 separate [nonlapsing] lapsing account within the General Fund. The  
1477 account shall contain any moneys required by law to be deposited into  
1478 the account. [Any balance remaining in said account at the end of any  
1479 fiscal year shall be carried forward in the account for the next fiscal  
1480 year.]

1481       (b) Commencing October 1, 2001, and not later than October first  
1482 each year thereafter, each state marshal shall pay an annual fee of two  
1483 hundred fifty dollars to the State Marshal Commission.

1484       (c) The additional fee paid to the Superior Court pursuant to section  
1485 52-259d and any fee collected pursuant to subsection (b) of this section,  
1486 shall be deposited in the General Fund.

1487       (d) The first two hundred fifty thousand dollars collected each fiscal  
1488 year, pursuant to subsections (b) and (c) of this section, shall be  
1489 credited to the state marshal account and be available for expenditure  
1490 by the State Marshal Commission for the operating expenses of the  
1491 commission. From July 1, 2001, until July 1, 2006, the Secretary of the  
1492 Office of Policy and Management shall review and approve or  
1493 disapprove the budget of the commission. For the fiscal year ending  
1494 June 30, 2004, and each fiscal year thereafter, the State Marshals  
1495 Advisory Board shall submit to the State Marshal Commission a  
1496 request for administrative support for such fiscal year. Such request  
1497 shall be submitted prior to the beginning of such fiscal year.

1498 [(e) For the fiscal year ending June 30, 2002, the next one hundred  
 1499 ten thousand dollars collected in subsections (b) and (c) of this section  
 1500 shall be transferred to the Judicial Department and be available for  
 1501 expenditure by the Judicial Department for the operating expenses of  
 1502 the Commission on Racial and Ethnic Disparity. The next two hundred  
 1503 thirty thousand dollars shall be transferred to the Office of Policy and  
 1504 Management for Other Expenses for the purposes of subsections (f)  
 1505 and (g) of section 54-1m.

1506 (f) The moneys made available in subsection (e) of this section may  
 1507 be transferred by said office to agencies requiring funds for such  
 1508 purposes.]

1509 Sec. 52. (NEW) (*Effective July 1, 2004*) Notwithstanding any  
 1510 provision of the general statutes, for the fiscal year ending June 30,  
 1511 2005, any remaining balance in the state marshal account shall be  
 1512 credited to the resources of the General Fund.

1513 Sec. 53. (*Effective from passage*) Sections 8-71 and 8-216 of the general  
 1514 statutes, section 51 of public act 03-2 and section 98 of public act 03-1  
 1515 of the June 30 special session are repealed.

1516 Sec. 54. (*Effective July 1, 2004*) Section 65 of public act 03-1 of the June  
 1517 30 special session is repealed.

This act shall take effect as follows:	
Section 1	<i>July 1, 2005</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>from passage</i>
Sec. 7	<i>from passage</i>
Sec. 8	<i>from passage</i>
Sec. 9	<i>from passage</i>
Sec. 10	<i>from passage and applicable to sales occurring on or after April 1, 2004</i>

Sec. 11	<i>from passage and applicable to sales occurring on or after April 1, 2004</i>
Sec. 12	<i>from passage</i>
Sec. 13	<i>April 1, 2004</i>
Sec. 14	<i>July 1, 2004</i>
Sec. 15	<i>April 1, 2004</i>
Sec. 16	<i>April 1, 2004</i>
Sec. 17	<i>April 1, 2004</i>
Sec. 18	<i>April 1, 2004, and applicable to sales occurring on or after April 1, 2004</i>
Sec. 19	<i>April 1, 2004</i>
Sec. 20	<i>April 1, 2004</i>
Sec. 21	<i>from passage</i>
Sec. 22	<i>from passage</i>
Sec. 23	<i>from passage</i>
Sec. 24	<i>from passage</i>
Sec. 25	<i>from passage</i>
Sec. 26	<i>from passage</i>
Sec. 27	<i>from passage</i>
Sec. 28	<i>from passage</i>
Sec. 29	<i>from passage</i>
Sec. 30	<i>from passage</i>
Sec. 31	<i>October 1, 2004</i>
Sec. 32	<i>October 1, 2004</i>
Sec. 33	<i>October 1, 2004</i>
Sec. 34	<i>October 1, 2004</i>
Sec. 35	<i>January 1, 2005</i>
Sec. 36	<i>October 1, 2004</i>
Sec. 37	<i>October 1, 2004</i>
Sec. 38	<i>October 1, 2004</i>
Sec. 39	<i>July 1, 2004</i>
Sec. 40	<i>from passage</i>
Sec. 41	<i>July 1, 2004</i>
Sec. 42	<i>July 1, 2004</i>
Sec. 43	<i>from passage and applicable to sales occurring on or after July 1, 2005</i>
Sec. 44	<i>July 1, 2004</i>
Sec. 45	<i>July 1, 2004</i>
Sec. 46	<i>July 1, 2004</i>
Sec. 47	<i>July 1, 2004</i>

Sec. 48	<i>July 1, 2004</i>
Sec. 49	<i>July 1, 2004</i>
Sec. 50	<i>July 1, 2004</i>
Sec. 51	<i>July 1, 2004</i>
Sec. 52	<i>July 1, 2004</i>
Sec. 53	<i>from passage</i>
Sec. 54	<i>July 1, 2004</i>

***Statement of Purpose:***

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*